

FY 2023-2024 TRIAL BALANCED BUDGET

FINANCE COMMITTEE

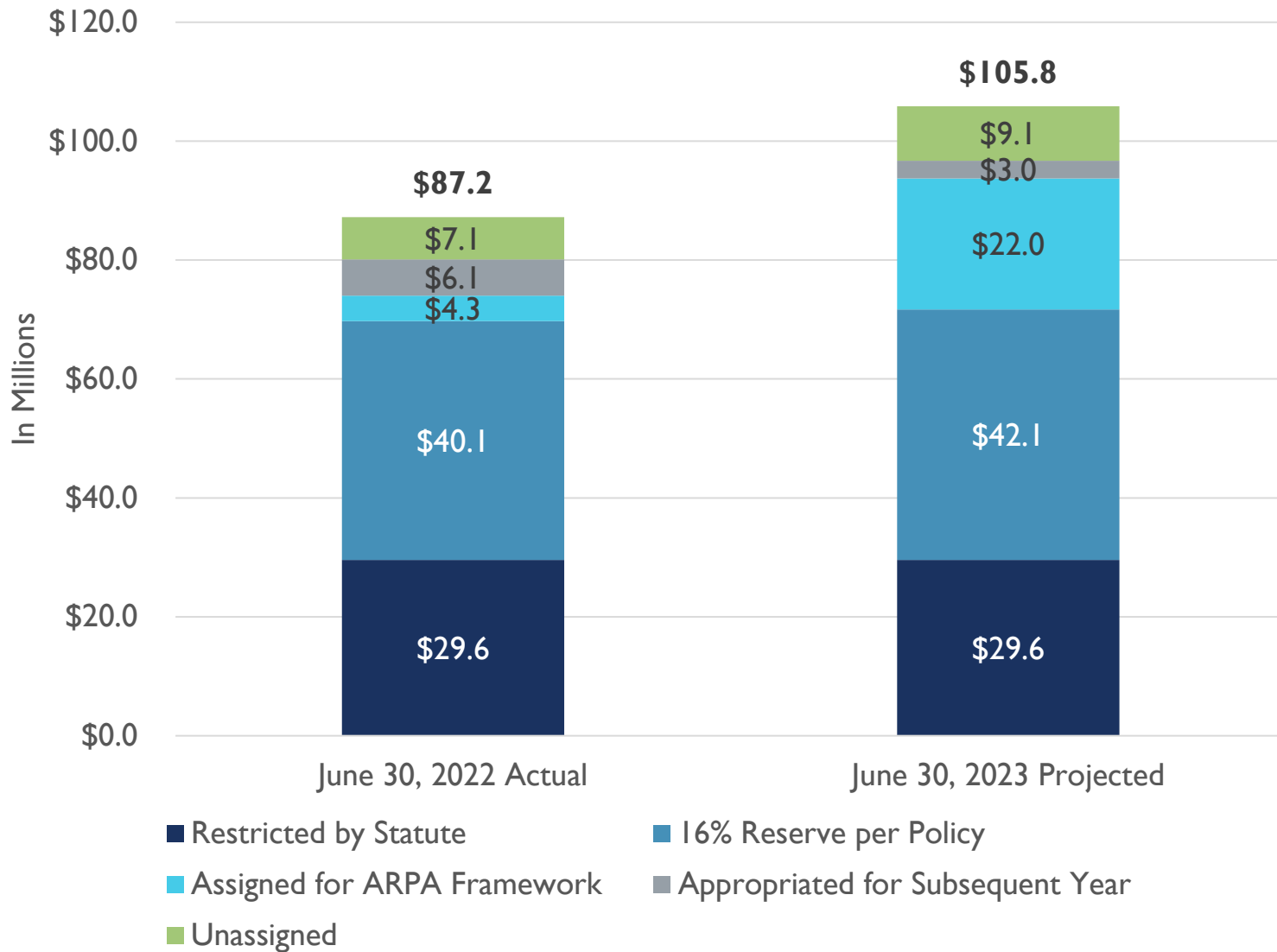
BUDGET AND PERFORMANCE MANAGEMENT DEPARTMENT
APRIL 2023



GENERAL FUND TRIAL BALANCED BUDGET

- Major Revenue Assumptions
- Base Budget Details
- Notes on Other Funds
- Next Steps
- Resident Survey Data

General Fund Balance



GENERAL FUND BALANCE

**Projection will be updated again during budget development*

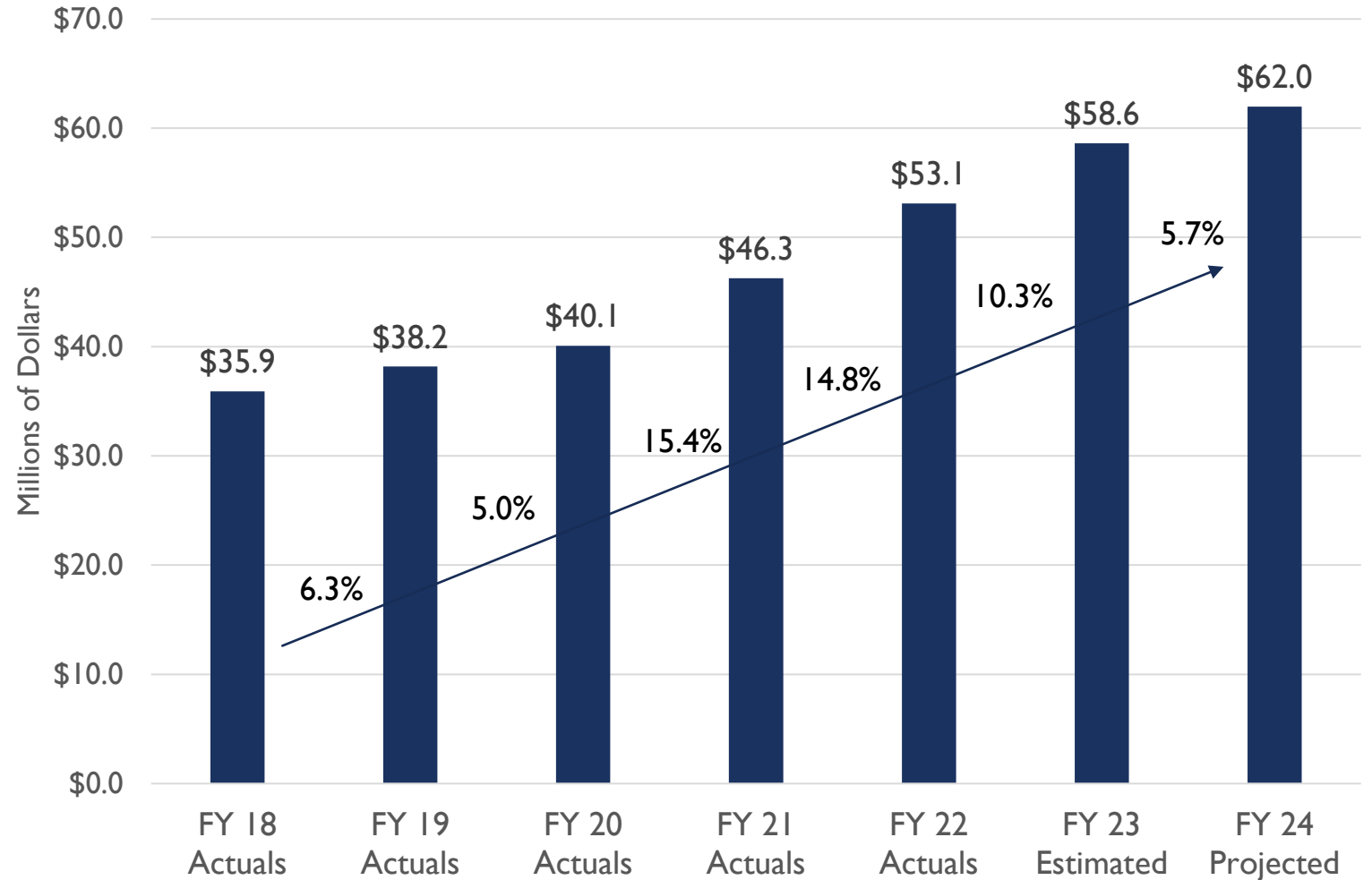
***Includes use of \$1.7 million for Long Branch Trail grant match.*

SALES TAX REVENUE

- County-wide growth in FY 23:
 - Q1: 20.7%
 - Q2: -1.3%
 - January: ?%
 - Projected: 6% (Feb – June)

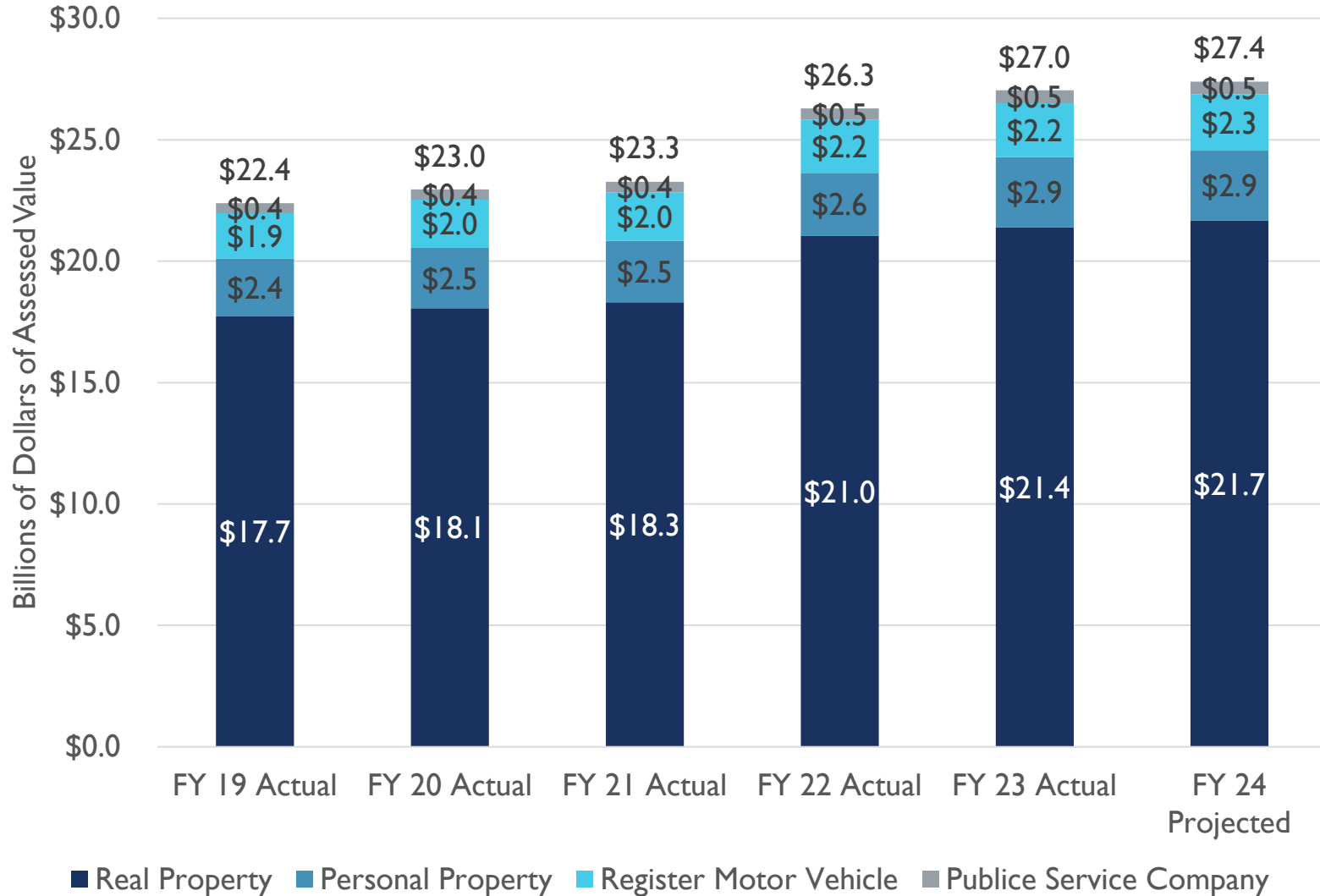
- FY 2024 Budget includes 4% growth in distributions from projected year-end

General Fund Sales Tax Revenues



Note: Projection includes 4% growth in county-wide distributions in FY 24. The higher growth in chart reflects changes in ad valorem distribution.

Total Property Tax Base



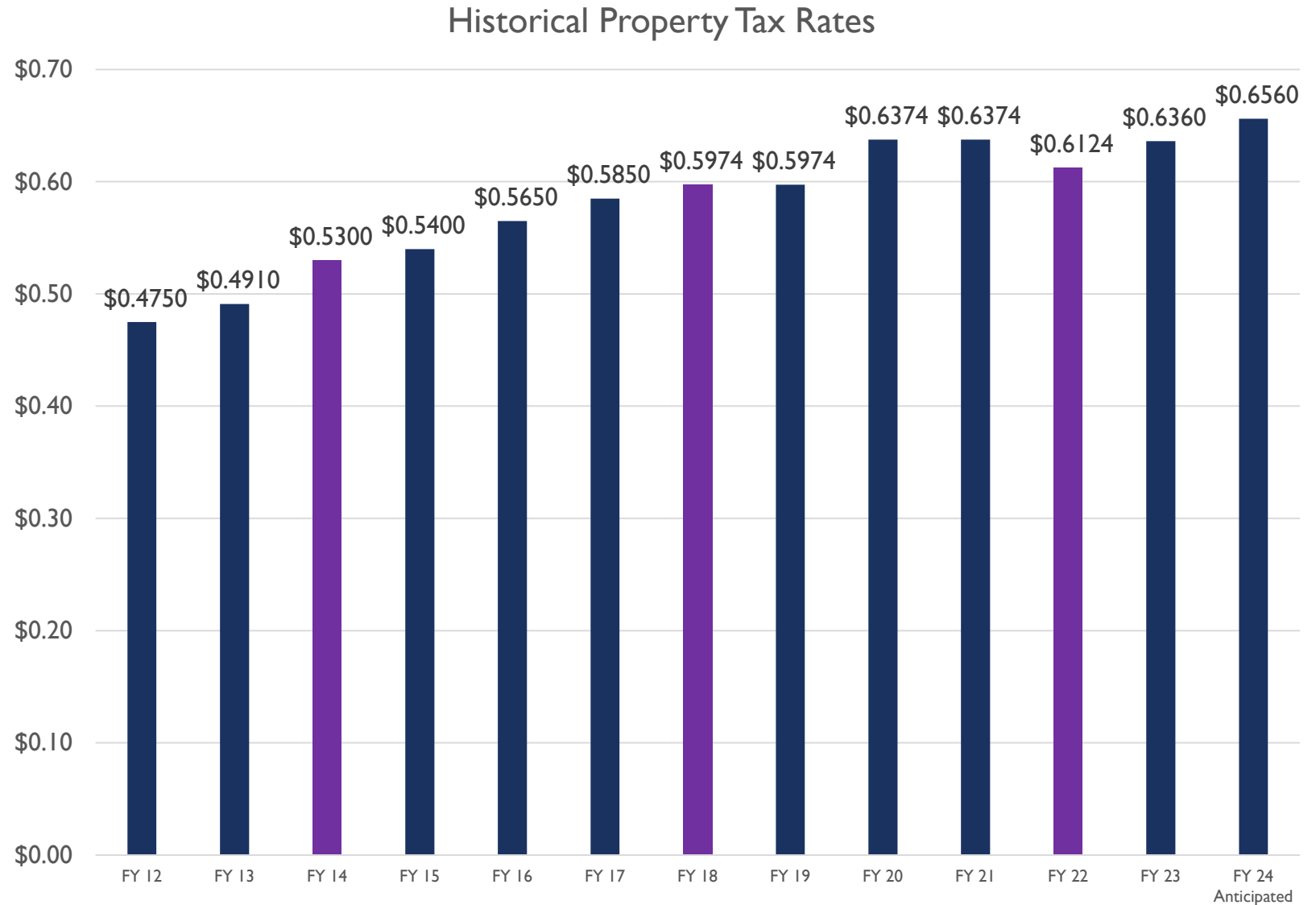
PROPERTY TAX BASE

- April 1st County Tax Office estimate includes 1.34% growth
- Growth rates:
 - FY 19 – 2.14%
 - FY 20 – 2.56%
 - FY 21 – 1.38%
 - FY 22 – 12.97%*
 - FY 23 – 2.82%

*FY 22 was a revaluation year.

POTENTIAL PROPERTY TAX RATE INCREASE

- Trial Balanced Budget includes a property tax rate increase of two cents per hundred dollars of assessed value
- Revaluation years depicted in purple in bar chart

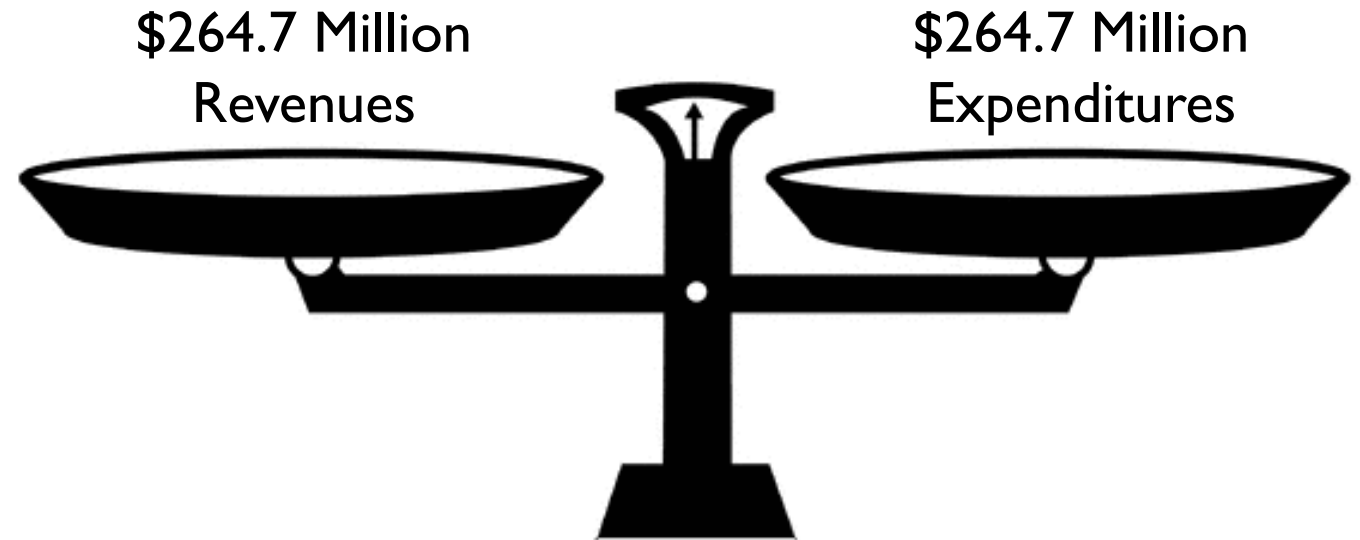


FY 2023-24 GENERAL FUND

PROJECTED BALANCED BUDGET



- **General Fund Balanced**
 - Includes fund balance use for one-time capital needs of \$3.0 million



FY 2023-24 INCLUDED IN THE BASE BUDGET



BUDGET TO BUDGET PERSONNEL CHANGES	FY 23	FY 24	CHANGE	% CHANGE
Salary, Wages, and Benefits	\$173.5 million	\$182.0 million	\$8.5 million	5.0%
Salary Savings Adjustment	- 4.1 million	- 4.1 million	0	0%
TOTAL	\$169.4 million	\$177.9 million	\$8.5 million	4.9%

- Includes average 6.0% merit adjustments for non-sworn and non-certified personnel*
- Includes 3% public safety steps in July and January for sworn and certified Police and Fire*
- Includes required contributions for retirement benefits
- No net new positions included in general fund budget for FY 2023-24
- Public safety pay plan minimum changes of 3.0% effective in August 2023

**Personnel increases effective at different times*

FY 2023-24

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)

- Removal of Waste Management recycling collection contract – net reduction in total cost
- All light vehicles (not including police pursuit) will have sufficient budget to purchase hybrid options
- Includes \$250,000 for fleet alternative fuel vehicles study

MAJOR NON-PERSONNEL EXPENDITURE CHANGES	COST INCREASE
Recycling Contract (net reduction in one-time recycling costs)	-\$1.6 million
Contract and Unavoidable Expense Increases	2.9 million
Vehicle Replacement	1.6 million
Mowing Contracts	0.6 million
Fuel (mostly related to diesel costs)	0.5 million
Property Tax Collection Services	0.4 million
Increased Economic Development Project Incentives	0.4 million
SUBTOTAL	\$4.8 million

FY 2023-24

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)



- FY 24 sales tax growth rate: 4.0%
- Property tax rate increase of 2.0 cents per \$100 of assessed value
- Electricity sales tax growth of 1.0%

REVENUES	FY 24 INCREASE
Property Taxes (1.4% base growth and 2.0 cent tax rate change)	\$8.8 million
Sales Taxes	\$7.7 million
Electricity Sales Taxes	1.0 million
Opioid Settlement Funding	0.4 million
Recycling Commodities	-0.4 million
Construction Permits	-0.3 million
TOTAL	\$17.2 million

TRIAL BALANCED BUDGET SUMMARY

	<u>FY 23</u>	<u>FY 24</u>	<u>Change</u>	<u>% Change</u>
Property Taxes	131,630,020	140,445,900	8,815,880	6.7%
Sales Taxes	54,649,990	62,327,310	7,677,320	14.0%
Other Revenues	58,535,210	58,052,540	(482,670)	-0.8%
Fund Balance	6,085,330	3,862,840	(2,222,490)	-36.5%
Total Revenues	250,900,550	264,688,590	13,788,040	5.5%
Personnel	169,421,170	177,899,210	8,478,040	5.0%
Supplies & Services	67,280,020	71,729,820	4,449,800	6.6%
Intradep. Credits	(8,381,360)	(8,381,360)	-	0.0%
Lease Payments	11,399,640	12,989,840	1,590,200	13.9%
Transfers	11,181,080	10,451,080	(730,000)	-6.5%
Total Expenses	250,900,550	264,688,590	13,788,040	5.5%

<u>Department</u>	<u># of Positions</u>	<u>Total Cost</u>
Planning and Development Services	1	\$72,290
Human Resources	2	128,550
Police	3	294,450
Community Development	4	256,900
Recreation and Parks	28	1,411,660
Fire Department	68	5,848,366
Grand Total	106	\$8,012,216

UNFUNDED POSITION REQUESTS

POTENTIAL ONE-TIME EMPLOYEE SUPPLEMENTAL PAY

Methods and Criteria

- Equity focused – larger payments to lower wage earners
- Potential tiered flat rate pay
- Amounts under development

How to Pay For It

- Fund balance – one-time revenue source
- General fund:
 - Unassigned fund balance
 - ARPA framework (ARPA eligible)
- Potential total cost - \$6 million

Purpose: 1) Help offset inflation hardships for those in greater need
2) Recognize additional workload taken on related to vacancies
3) Provide for retention bridge until pay study is completed

OTHER FUNDS – BUDGET CONSIDERATIONS



- Stormwater Management
 - Rate increase to maintain appropriate levels of cash for capital, debt, and operations
 - 10% rate increase would be less than \$1 per month for average residential rate payer
 - Provides funding for capital projects and helps meet debt covenants in future years

- Public Assembly Facilities
 - Winston-Salem Fairgrounds and Bowman Gray Stadium operating deficits

- WSTA
 - WSTA operating budget will most likely include additional safety enhancements at the Clark Campbell Transportation Center

FY 2023-24

PRELIMINARY BUDGET REVIEW CALENDAR



Date/Location	Event/Topic
Tuesday, May 30 (4:00 p.m.) City Council Chamber	Presentation of Proposed Budget to the Mayor and City Council Budget Overview, Budget Document
Thursday, June 1 (4:00 p.m.) City Council Chamber	Finance Committee Budget Workshop Capital Budget Overview
Thursday, June 1 (6:00 p.m.) City Council Chamber	Finance Committee Public Hearing
Thursday, June 8 (4:00 p.m.) Council Committee Room	Finance Committee Meeting/Workshop Consideration of a recommended budget and property tax rate
Tuesday, June 20 (6:00 p.m.) City Council Chamber	FY 2023-24 Budget Adoption 2 nd Public Hearing and Budget Adoption



2022-23 RESIDENT SURVEY



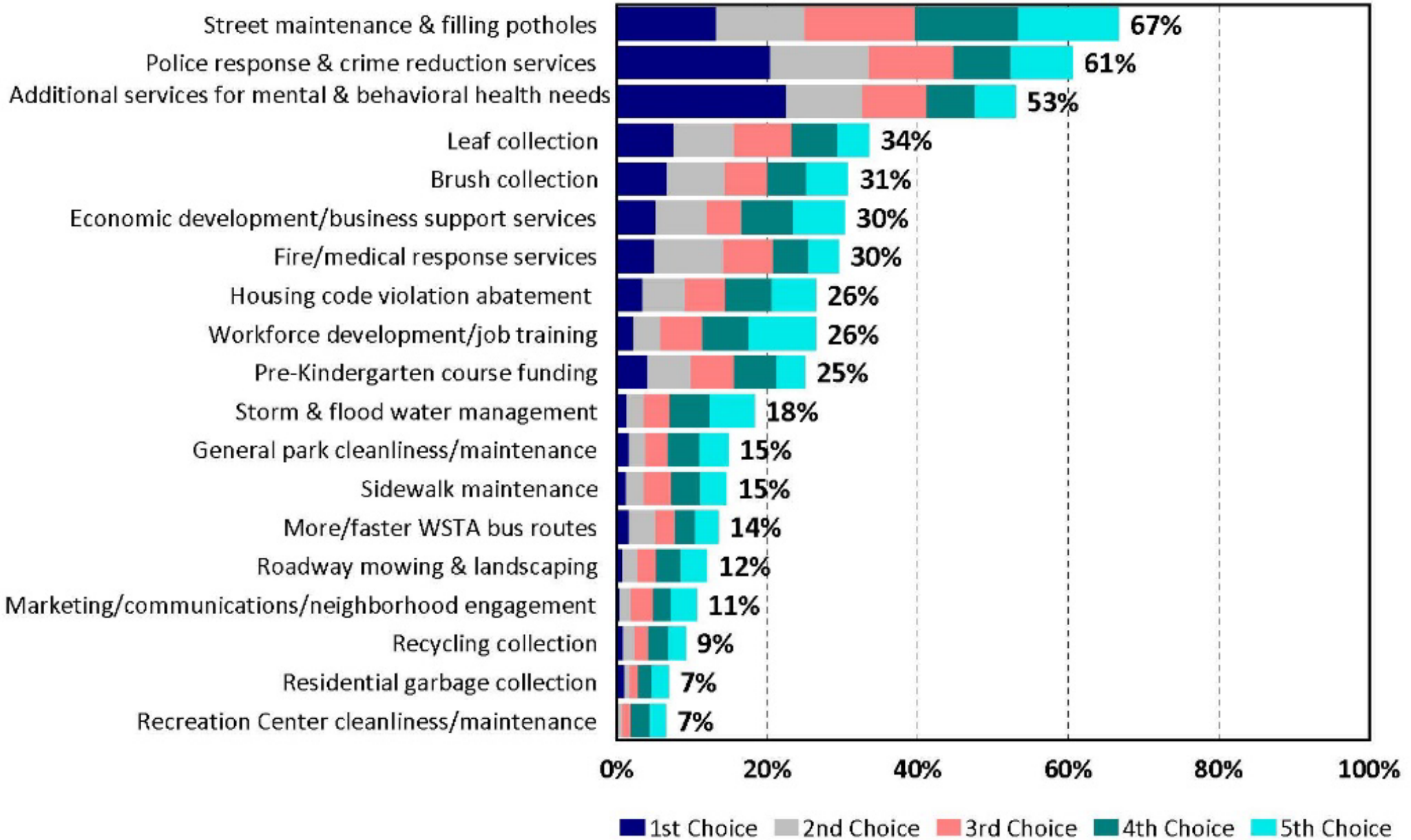
2022-23 RESIDENT SURVEY

FORMAT

- Shorter survey (3 pages)
- Pilot for new survey rotation (short/long)
- Focus on highest need for improvements/ investments
- Does not provide as much program specific feedback and ranking
- Provided opportunity for open comment feedback

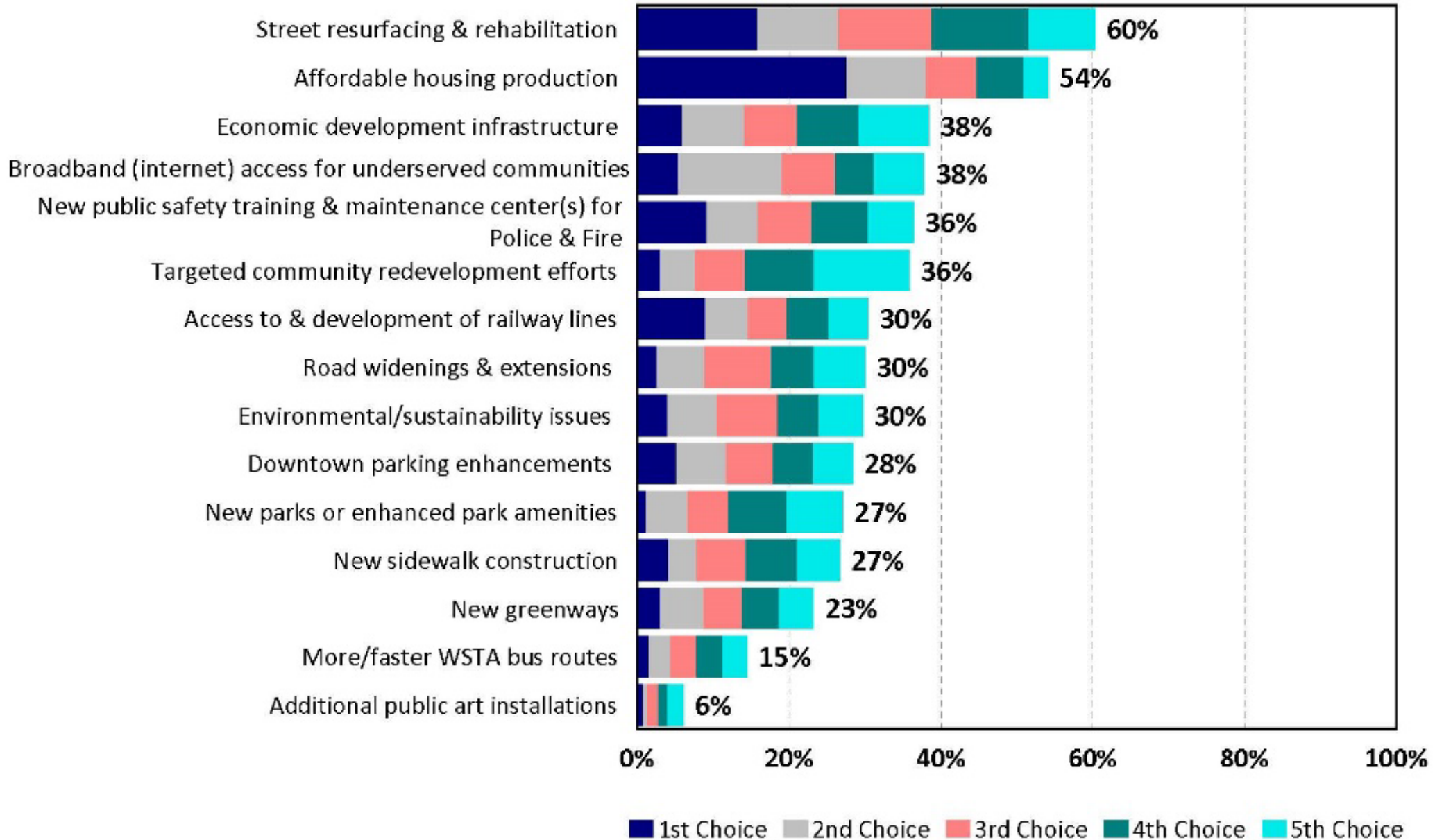
METHODOLOGY

- Random survey:
 - Postcard (with QR code) or survey by mail
 - Process ran from December - January
- Sample size: 1,201 completed
 - Minimum of 100 surveys per ward
- Confidence level: 95%
- Margin of error: +/-2.8%

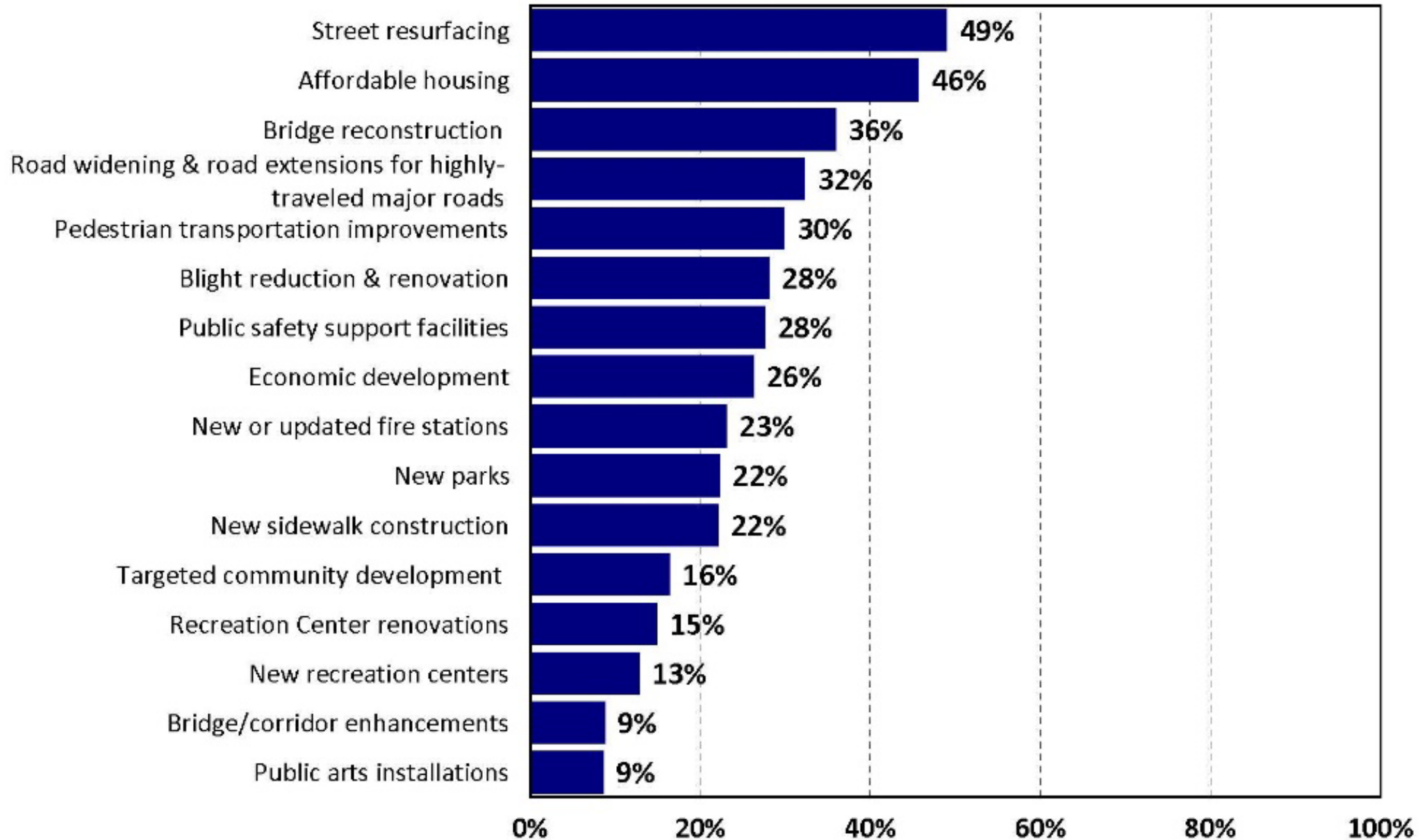


OPERATIONAL IMPROVEMENTS AS TOP PRIORITIES IN NEXT YEAR

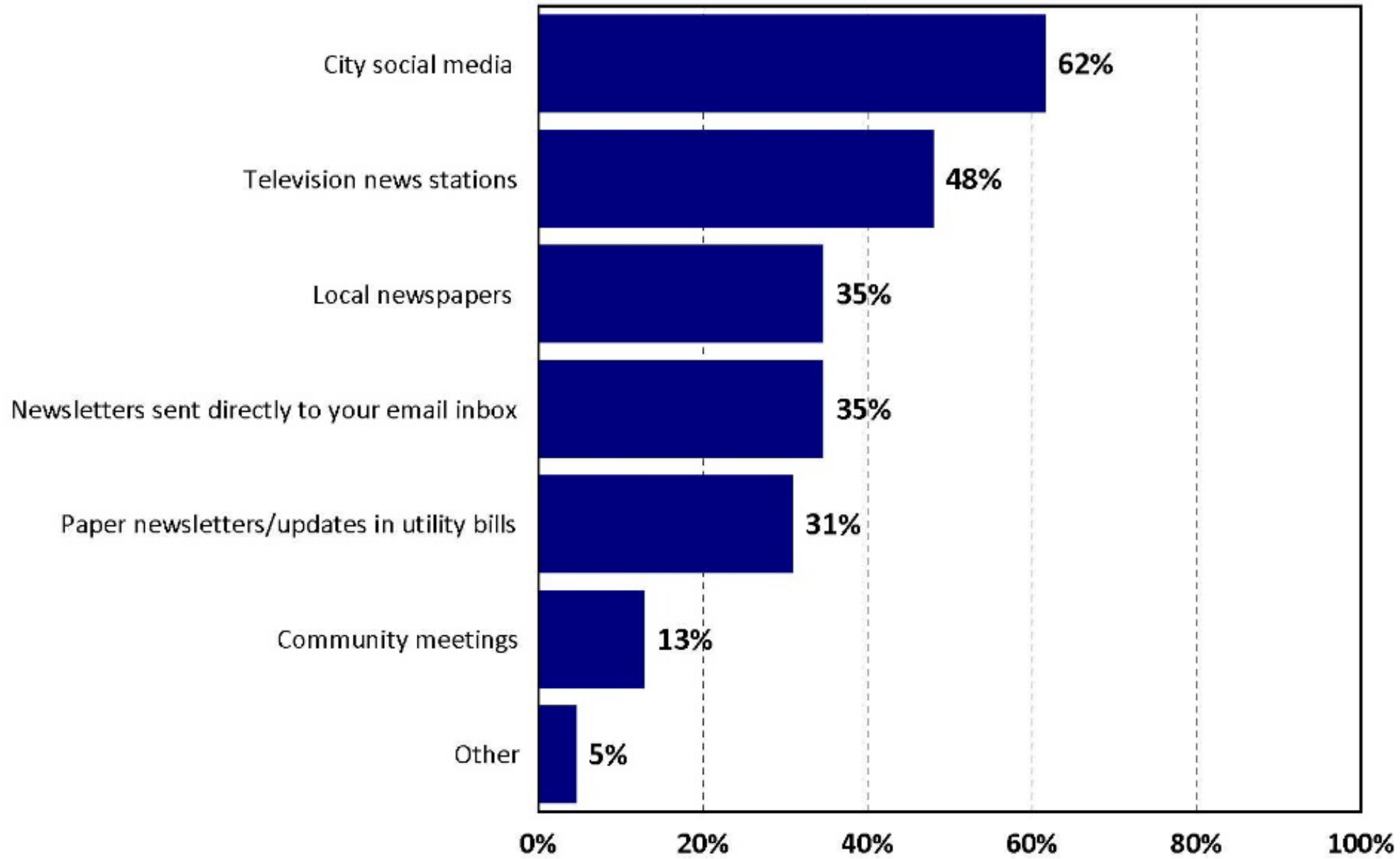
INVESTMENT OPTIONS AS TOP PRIORITIES IN NEXT YEAR



CAPITAL PROJECTS POTENTIALLY
SUPPORTED BY A TAX INCREASE



PREFERENCE FOR RECEIVING CITY INFORMATION



SERVICES/PROGRAMS WITH THE MOST RESIDENT INTEREST (OPEN ANSWER)

FREQUENT WORDS

- Housing
- Downtown
- Development
- Affordable
- Economic Dev.
- Police / Crime
- Parks
- Streets

